

MOTION

The Ellis Act (Government Code Section 7060 et seq.) is a state law that allows landlords in California a legal means to evict residential tenants in rent-stabilized units if they intend to leave the rental housing business. Under a “no-fault” Ellis Act eviction, a landlord must provide tenants relocation assistance; give tenants written notice of the eviction in advance; remove all units from the rental market; offer evicted tenants the first right of refusal to a unit if they bring their property back on the rental market for a period of ten years after the eviction and, for the first five years, charge the same rental rate as at the time of the eviction (plus any increases otherwise allowed under rent control); and pay damages to tenants if a unit is re-rented within the first two years of withdrawal. The Ellis Act further clarifies that it is not intended to override local procedural protections designed to prevent abuse of the right to evict tenants.

The Ellis Act was originally intended to support long-term small “mom and pop” landlords seeking to leave the rental housing business entirely. However, there is widespread concern that the bad faith use of the Ellis Act in practice is contributing to significant losses of affordable housing and displacement of vulnerable tenants. According to reporting from CalMatters with data provided by the Los Angeles Housing Department, more than 27,000 rent-controlled units have been removed in the City of Los Angeles using the Ellis Act since 2001. Rent-stabilized units make up roughly 75% of the total rental housing stock in the City, and an estimated three percent of the total rent-stabilized stock have been lost due to Ellis Act evictions. These losses happen in a context where the California Housing Partnership estimates that 521,596 low-income renter households in Los Angeles County do not have access to an affordable home, and the median cost to build a single unit of affordable housing in Los Angeles County hovers at more than \$600,000.

While the City of Los Angeles does not have any direct jurisdiction over amending state laws, the City can control how Ellis Act filings are thoroughly reviewed and processed, and should make it a practice to reexamine applications in light of new information and when other means are available to the City to remedy problems.

I THEREFORE MOVE that the City Council request that the City Attorney, with the Los Angeles Housing Department and any other relevant departments, report back within 30 days on the interaction between the Ellis Act and the Tenant Habitability Program, including an analysis of how the Department differentiates evictions under LAMC 151.09.A.10 (Ellis) and 151.09.A.11 (Government Order) from LAMC Chapter XV, Article 2 (Tenant Habitability Program); the potential for bad faith use of Ellis Act evictions for purposes of conducting Primary Renovation when the work does not necessitate the units’ permanent removal from rental housing use; how the Department monitors and enforces the “good faith” requirement in LAMC 151.09.A.10; and options to prevent bad faith use of the Ellis Act for renovations, retrofits, and other habitability improvements when the property owner intends to continue renting units after the improvements and the Tenant Habitability Program would prevent tenant displacement.

I FURTHER MOVE that the City Council request that the City Attorney, with the Los Angeles Housing Department and any other relevant departments, report back in 30 days on the adequacy of the City's mechanisms to ensure that the protections set forth in state law for first right of refusal, right of return at original rents, relocation payment, and payment of damages are enforced and communicated to tenants and property owners throughout the ten year compliance period.

PRESENTED BY:

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Councilmember, 4th District

SECONDED BY:

SEP 01 2023

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